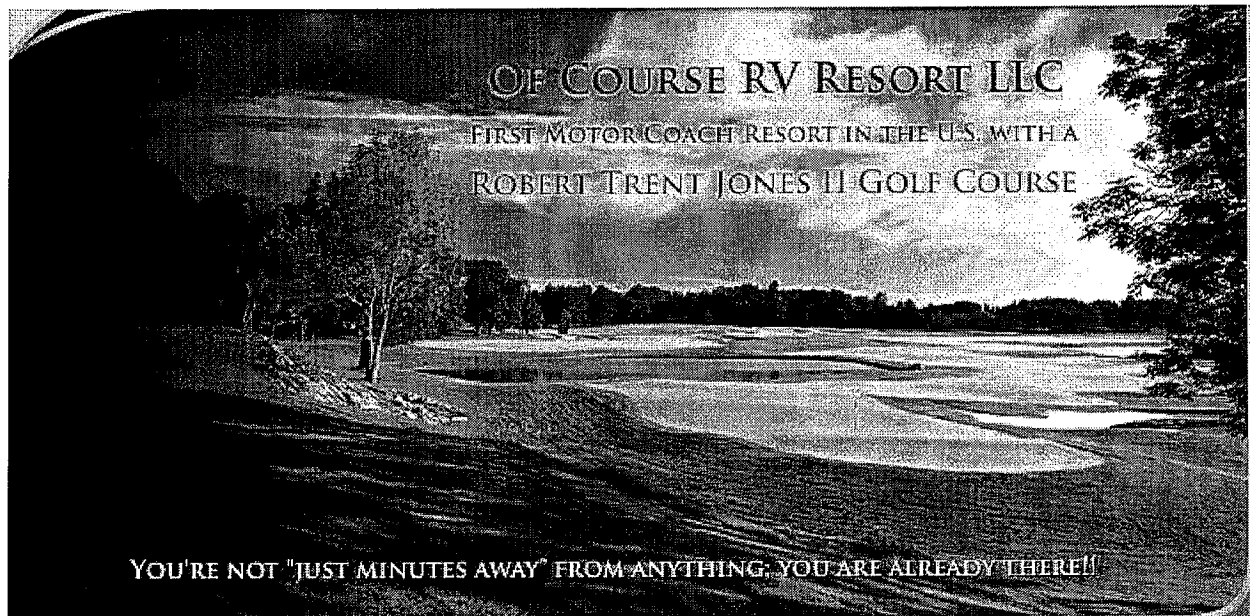


## APPENDIX B

# Of Course RV Resort Executive Summary



OF COURSE RV RESORT L.L.C., a Montana limited liability company  
(the "*Company*" or "*Of Course*")

### EXECUTIVE SUMMARY

Of Course RV Resort L.L.C. ("Of Course" or the "Company") has acquired a valuable property in beautiful Red Lodge, Montana for purposes of developing a first-class 9-hole golf course and resort for owners of high-end recreational vehicles (RVs). Of Course RV Resort is the first in the United States to offer a designer golf course for upscale RVs (motor coaches). Our customers will enter long-term leases on private, designated sections ("Lots") on the Company's resort properties. If they wish, customers will be able to construct more permanent residence structures ("Park Models") on their Lots. The Lots will vary in size, location, amenities and price, but all Lot owners will sign long-term leases and pay maintenance fees semi-annually.

**The Market Need and the Company's Solution.** Our research indicates that the number of people who own high-end RVs is increasing annually. They seek memberships

(leases<sup>1</sup>) or property rights in resorts or clubs that allow them to park their RVs seasonally (or for extended periods of time) in a scenic location that offers great recreation, comfort, safety and a sense of community. Our research also indicates that owners of such RVs wish to spend the warm summer months in higher-elevation climates like the Northern Rocky Mountains. Currently, however, there are no resorts located in the Northern Rocky Mountains (Montana, Wyoming or Idaho) that offer the scenic beauty, amenities, recreation, and community lifestyle that the Company intends to offer with its resort.

**Additional Demographics on Target Market.** The baby boomer generation (average age late 40's and 50's) is pushing RV ownership to record highs. As a group, they are very affluent compared to the general population and computer literate. In 2005, 385,000 RV's were sold which was over a 58% increase from earlier years. Many are treating RV ownership as a second home. Others are selling their homes for high end RV's, and actually continue to pursue their careers through WiFi satellite internet hookups, e-mail and cell phones.

There are numerous internet sites relating to the baby boomer expansion of the high end or luxury RV market, and resorts to cater to this lifestyle. (Source: babyboomer magazine.com).

Baby boomers are creating a tremendous surge in RV purchases even in a down economy. (boomerver.com) A survey of RV owners by the Recreation Vehicle Industry Association (RVIA) shows 55% of survey respondents intend to use their RV's more this spring and summer than they did last year, and 45% are considering another purchase. RV companies themselves anticipate new RV customers among the baby boomer population. "All along, for the last four or five years, we've known the baby boomers' population is coming. Every month there will be 350,000 potential customers in the baby boomers through 2030." (Source: Winnebago CEO Bob Wilson, internet post, boomersummit). According to the RVIA, buyers who meet income requirements will be able to take advantage of new federal stimulus plans that provide for a deduction of sales and excise taxes on the first \$49,500.00 of a new motor home purchase. (Source: examiner.com – Article: RV Travel Expected for Baby Boomers, April 13, 2009; also refer to [www.rvia.org](http://www.rvia.org), [www.usa.today.com](http://www.usa.today.com), and [www.boomersnewsonline.com](http://www.boomersnewsonline.com)).

There are literally thousands of websites dedicated to RV resorts, and there is a growing emphasis on what is described as "luxury amenities" offered by various RV resort chains. (See, e.g. Outdoor Resorts of America, Inc., corporate office: Bermuda Dunes, California and Elite Resorts of America ([www.eliteresorts.com](http://www.eliteresorts.com)))

Jeanne Rizzotto spent several years touring and inspecting over 30 luxury RV resorts in many states to include, but not limited to, Florida, Nevada, Texas, Arizona, California, Louisiana, Oregon, Utah, New Mexico and Colorado. She met with managers, operators and owners of the resorts; was able to inspect their operations, pricing, physical layouts and

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<sup>1</sup> Lots throughout the U.S. are either purchased fee simple or leasehold. Both are equally common. Some of the many (and equal in number to fee simple) resorts purchased under long term leases are: Holiday Park Resort, Buckhorn Lake Resort, RiversEdge RV Resort, Ocean Grove RV Resort, Bobcat Resort, Holiday Cove Resort, etc.

amenities; primary and collateral income sources; and organizational structures for members and resort operations. She has taken and distilled this information and adopted the elements from various resorts that are most suitable for the Of Course RV Resort, LLC project.<sup>2</sup>

Included in a number of the business operations are inter-resort referrals and cooperative agreements to allow base customers from one resort to travel to and enjoy the benefits of a resort in a different geographical location. Other aspects include "captive" customers for resale of lots, park model units and RV's located in the participating leaseholders' home resort.

Generation of operating income is built into the leasehold purchase structure and under the members' ongoing annual and/or semi-annual dues structure. Operation of the golf course, utilization of golf carts, pro shop and similar amenities are designed to be member supported activities and enterprises, some of which are supported by the annual dues assessments, others which generate income from membership use.

There is a recognized market for resale of RV resort lots. It is not unusual for lots in the \$400,000.00 range with some as high as \$600,000.00, depending on the amenities and the location. (See, e.g. Listings; Motorcoach Country Club, HR Group, Henry L. Richman, Broker, Indio, California; also see RV Park Store website: [www.rvparkstore.com](http://www.rvparkstore.com)).

**World Class Designed Golf Course.** The anchor amenity for the Company's resort will be a first in a world-class 9-hole golf course for an RV resort. The Company has executed a design contract with world-renowned designer, Robert Trent Jones II, LLC, who was the Company's first choice for a golf course designer. Robert Trent Jones II, LLC (and its founder Robert Trent Jones, Jr.) is a world-renowned designer whose courses attract golfers worldwide.<sup>3</sup>

<sup>2</sup> Additionally, Jeanne Rizzotto spent during the same touring years Robert Trent Jones II courses which included, and most required "personal invitation" status for inspection by Ms. Rizzotto, as follows: Florida: Windsor, Vera Beach; Weston Hills Country Club, Weston, Florida; Nevada: Southern Highlands Golf Club, Henderson; Hawaii: Princeville Resort, Kauai; Wailea Golf Club, Maui; Colorado: Gypsum, Vail Valley; Ute Creek Golf Course, Longmont; Beaver Creek Golf Club, Avon; Keystone Ranch Golf Course, Keystone; Rollingstone Ranch Golf Club, Steamboat Springs; Washington: Chambers Bay, Tacoma; California: Desert Dunes, Desert Hot Springs; Rancho LaQuinta Country Club, La Quinta; The Links at Spanish Bay, Pebble Beach. All golf courses mentioned have received recognition awards and PGA Golf Tournaments

<sup>3</sup> Course listings by Country: Australia, Canada, Caribbean, China, Colombia, Costa Rica, Denmark, Fiji, Finland, France, Germany, Greece, Hong Kong, Hungary, India, Indonesia, Italy, Japan, Malaysia, Mexico, Netherlands, New Zealand, Norway, Philippines, Poland, Portugal, Russia, Singapore, South Africa, South Korea, Spain, Sweden, Taiwan, Thailand, Tunisia, United Arab Emirates, United Kingdom, Vanuatu and Venezuela

Course Listings by State: Alaska, Arizona, Arkansas, California, Colorado, Florida, Georgia, Hawaii, Idaho, Illinois, Indiana, Kansas, Louisiana, Maine, Massachusetts, Michigan, Minnesota, Missouri, Nevada, New Jersey, New Mexico, New York, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Texas, Virginia, Washington, Wisconsin, Wyoming

With featured courses: Al Badia Golf Resort at Dubai Festival City, Arizona National Golf Club, Beaver Creek Golf Club, Bjaavann Glofklubb, Blessings, Bro Hof Slott Golf Club, Cabo Real Golf Course, Chambers Bay, Cheateau Whistler Golf Club, Chenal Country Club, Club de Golf Alcanada, CordeValle, Eagle Point Golf Club, Four Seasons Resort Nevis, Golden Valley Golf Club, Heron Lakes Golf Club, Holtsmark Golf Club, Joondalup Resort, Kaluhyat Golf Club at Turning Stone Casino Resort, Katsura Golf Club, Kensington Golf & Country Club, Le Meridien Moscow Country Club, Legacy Courses at Cragun's, Long Island National Golf Club, Lubker Golf Resort, Makena Golf Courses, Miho Golf Club, Miklagard Golf Club, Miramont Country Club, Monarch Beach Golf Links, Oak Valley Country Club, Osprey Meadows at Tamarack Resort, Poipu Bay Resort Golf Course, Poppy Hills Golf Course, Pueblo de Cochiti Golf Course, Reserva Concha Golf Club, Robert Trent Jones, Jr. Course at Rock Barn Golf & Spa, Royal Westmoreland, Santiburi Country Club, Skjoldenæsholm Golf Center, Sky Hill Jeju Country Club,

The Company's resort Lots will be located along this first of its kind exceptional golf course.

**Leasing Arrangements.** Owners of high-end RVs will have the opportunity to enter long term, exclusive (99-year) leases<sup>4</sup> on Lots of their choosing (on a first come, first served basis). If they wish, customers will be able to construct Park Model residence structures on their Lots. Such residences, and the use of the Lots will be strictly regulated by the Company to help preserve a desired look and feel to the resorts – in keeping with the quality of the golf course and the local Montana surroundings. Regulation and administrative oversight will be accomplished through the adoption of detailed covenants and restrictions applicable to members and users.

**Location.** The success of most RV resorts flows from their location and the appeal of the location to potential owners. It is crucial to analyze where along the spectrum the location best “fits,” so that park design and marketing efforts can be targeted properly. Of Course chose Red Lodge, Montana for various reasons:

- Easy highway access.
- Red Lodge is a resort town and one of the entrances to Yellowstone Park.
- Red Lodge has relatively cool summers as compared to most existing RV resorts, which are geared more for cooler winters in warmer climates.
- Recreational activities in and around Red Lodge, Montana are plentiful, including fishing, hunting, hiking and skiing.
- The location offers fantastic views of open fields, the Beartooth Mountains and Red Lodge Mountain Ski Resort, which is located just minutes away.

**The Target Audience.** Our target audience will be high-end RV owners by offering a unique design and park amenities most essential to this level of RV owners. Generally, these are people who are retired or more mature in age.

**Park Design and Layout.** Most resorts built ten (10) or more years ago are not designed to accommodate today's larger and wider RVs. Of Course will cater to the “Big Rigs,” also

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Southern Highlands Golf Club, Spring City Golf & Lake Resort, Sta. Elena Golf Club, Sugarloaf Golf Club, Summit Point Golf & Country Club, Sun Rise Golf & Country Club, Sunday River Golf Club, Sunriver Resort, Ta Shee Golf & Country Club, The Bridges at Rancho Santa Fe, The Celtic Manor Resort, The Golf Club at Rainmakers, The Links at Spanish Bay, The Marshes Golf Club, The Mines Resort and Golf Club, The National Golf Club, The Orchards Golf Club, The Prince Course at Princeville, Three Crowns Golf Club, ThunderHawk Golf Club, Trans Strait Golf Club, University Ridge Golf Course, Wailea Golf Club, Winchester Country Club, Yalong Bay Golf Club

<sup>4</sup> “ST. AUGUSTINE -- The days of losing campgrounds to condos may be gone. The new owners of the Ocean Grove RV Resort plan to use a growing interest in recreational vehicle living to sell RV owners on 99-year land leases.” One of dozens and dozens of rv resort format for lease purchases.



known as “coaches,” with lengths of up to 45 feet. Our park design and layout also takes into consideration slide out rooms. Our layout will provide wide interior roads to permit very long rigs to turn around and our spaces will be well-slanted and constructed on gradients designed for easy access. Along with this, the backing turn will be made towards the driver’s side so that the driver does not have to rely solely on the mirrors to back up.

**Lot Size.** The Company’s research indicates that RVers prefer spaces with adequate room and a defined property line. Our Lots will range from 50x60 feet up to 50x75feet and will be fully landscaped to assure privacy and provide an aesthetically pleasing natural environment.

**Amenities.** The Company’s personal market studies show that most RVers have come to expect the following amenities (all of which will be included at the Company’s resort):

- Water and sewer
- 50 amp minimum
- Satellite access
- Telephone primarily for modem access
- Wireless access for laptops
- Clubhouse
- Laundry services
- Post Office
- Ease of Access
- Flexibility in terms of use

Of Course will also include a full gym with private trainers and an indoor golf simulator.

**Family Attractions.** Our marketing plan may include some family attractions geared for the winter months for those RV owners who wish to rent their site out to families wanting to come up to the area for snow skiing, snowmobiling and/or the winter holidays. However, our natural target audience will not be younger families with children.

**Summary.** Our marketing plan is to take advantage of all existing resources available, which will include existing resort owners, membership and active participation in RV associations, and online resources such as our own website, media exposure and a grand opening

to include several well-known golfers and Robert Trent Jones, Jr. himself.

### TERM SHEET

<b>Company</b>	OF COURSE RV RESORT, L.L.C. (the " <b>Company</b> ") is a Montana limited liability company formed in 2007.
<b>The Offering</b>	The Company in negotiations for for DIP financing for \$5,000,000.
<b>Capitalization</b>	The Company is a single LLC and one member (owner). The Company has not yet adopted an equity-based employee incentive compensation plan and has granted no options to employees.
<b>Minimum Investment</b>	\$5,000,000 by one or more investors but less than 10 to avoid securities issues.
<b>Lenders for DIP Financing</b>	The Company is seeking DIP Financing or new money in the minimum amount of \$5,000,000.
<b>Use of Proceeds</b>	The Company intends to use the proceeds of \$5,000,000; \$2,500,000 of which will be offered to pay all creditors (both secured and unsecured) with the remainder of \$2,500,000 to fund initial development activities that are necessary before construction of the resort may begin, including initial payments to the golf course designer and the Company's engineers, architects and attorneys; for initial marketing expenses (design and implementation of a web site, advertising, direct marketing ); and for working capital.
<b>Closing Conditions for DIP Lender</b>	Since new money is being sought, the Company shall deliver to said Lender an approved Reorganization Plan and in turn shall receive funding within 90 days of said Plan.
<b>Disclosure Statement</b>	The Company shall deliver an approved disclosure statement from the bankruptcy court in recognition of the reorganization plan to follow within a reasonable period of time and no later than 30 days from approval of such disclosure statement

### CAPITALIZATION

**Before this Offering Round.** As of the date the Chapter 11 was filed, the Company has 1 member (owner) holding 100% of the membership interest (equity) in the Company. The Company has not yet adopted an equity-based employee incentive compensation plan, and, as of the date of said Chapter 11 filing, has granted no options to employees or others to purchase equity in the Company.

## CAUTIONARY NOTE REGARDING STATEMENTS

In most cases, the following statements include verbiage such as “projected,” “estimated,” “anticipated,” “intended,” “targeted,” “predicted,” “believed,” “planned,” “may,” “could,” “will” or “should” or the negative of such terms and other comparable terminology. While these statements are typically subject to the influences of one or more of the risk factors discussed herein, the Company has made every attempt to ensure that the statements are based on reasonable assumptions. However, the Lender should be aware that the listed and currently unknown risk factors could adversely affect the Company’s actual performance results. Moreover, the Company does not assume responsibility for the accuracy and completeness of such statements; nor is the Company obligated to publicly update any such statements for any reason, even if new information becomes available or other events occur in the future.

It is important to note that the Company's actual results or activities or actual events or conditions could differ materially from those projected by the Company in such statements. The plans, strategies and intentions of management with respect to the business that the Company intends to conduct may change based on increased experience with the Company's business model as well as in response to competition, general economic trends or perceived opportunities, risks or other developments. Projections concerning the Company's future results of operations are based on a number of assumptions and estimates made by management concerning, among other things, the timely availability of capital on acceptable terms, the Company’s understanding of the real estate market in Red Lodge, Montana, existing economic conditions and the Company’s expectations regarding future economic conditions, the ability to employ and train suitably skilled employees, development costs (for the golf courses and the other elements of the resorts), the state and local regulatory approval process, and other future events and conditions. These estimates and assumptions are believed by management to be reasonable, but are uncertain and unpredictable. To the extent that actual events differ materially from management's assumptions and estimates, actual results will differ from those projected.

## RISK FACTORS

As with any startup company, for both lease holders and/or DIP lenders involves a degree of risk. In deciding whether a Lender should finance the Company and/or lease holders should carefully consider the following risk factors. This list of risk factors is not exhaustive but is instead a summary of those risks which management currently perceives as the most pertinent to the Company’s business, operations and financial condition.



**We have no operating history.**

The Company is currently in the startup phase of its development as an operational entity. The Company's business is, therefore, subject to all of the risks inherent in a company with little or no operating history.

Our ability to generate significant revenue is uncertain, and we may never achieve profitability. There is no revenue stream currently and very limited operating history on which Lenders and/or lease holders can evaluate our potential for future success. Potential Lenders and/or lease holders should evaluate us in light of the expenses, delays, uncertainties, and complications typically encountered by early-stage businesses (especially real estate development businesses), many of which will be beyond our control. These risks include the following:

- Lack of sufficient capital provided in the first funding round
- Lack of sufficient capital after the first funding round
- Unanticipated problems, delays, and expenses relating to the development of our property
- Marketing difficulties
- Competition

As a result of our lack of operating history, our financial data is of limited value in anticipating future operating expenses. Our planned expense levels will be based in part on our expectations concerning future revenue and investment capital, which is difficult to forecast accurately because of our stage of development. We may be unable to adjust spending in a timely manner to compensate for any unexpected shortfall in revenue. Further, development and marketing expenses may increase significantly as we expand operations. To the extent that these expenses precede or are not rapidly followed by a corresponding increase in revenue and/or investment capital, our business, operating results and financial condition may be materially and adversely affected.

**Our business and development project may be subject to a regulatory approval process, including governmental and environmental regulation, which may delay, increase the cost of, prohibit or severely restrict our development project and reduce our revenues and cash flows.**

We may be subject to laws and regulations that affect the land development process. Before we can develop a property, we may have to obtain a variety of approvals from governmental agencies (in particular, state and county authorities) with respect to such matters as zoning, density, roads, utilities, parking, subdivision, water, drainage, highway access, site planning and environmental issues. Certain of these approvals are discretionary by nature. Because certain government agencies and special interest groups have in the past expressed concerns about development plans in Montana and, in particular, the Red Lodge region, our

ability to develop these properties and realize future income from them could be delayed, reduced but have not to date ever been prevented altogether.

Real estate development is subject to state and federal regulations as well as possible interruption because of environmental considerations, including, without limitation, air and water quality and the protection of endangered species and their habitats. We are making and will continue to make expenditures and other accommodations with respect to our real estate development for the protection of the environment. Emphasis on environmental matters may result in additional costs to us in the future or a reduction in the amount of acreage that we can use for development or sales activities.

**We will need additional capital or our business will be adversely affected.**

This is the Company's first round of financing, and other financing may be necessary. The funds from the \$50,000 non-refundable earnest money from each lease holder/resort member upon reserving a resort lot and/or the DIP Lender's new money will be used to bridge the Company's operating requirements until the Company is able to finance its operation out of the deposits that the Company receives from customers who are interested in reserving the Company's Lots – or until the Company is otherwise able to secure funds from additional financing sources and starts to generate revenues through its long-term leasing arrangements with customers.

It is impossible to predict what proceeds, valuations and pricing might be attainable in the future financings.

The Company has already begun discussions with three separate DIP lenders (in the United States), two of which are on the East Coast with the third located in Southern California, and one out of Japan with a U.S. office based out of New York. The Company will secure the Lender with the developer's properties. The Company has contacted a dozen or so local commercial lenders (throughout Montana) regarding additional funding once the project has completed the Chapter 11 process and all have indicated that they would be open to loan additional money to the Company after the initial seed money is raised and after more planning and design work is done on the Development. Additional progress on the development is necessary for local lenders to better assess the Company's properties value for collateralizing purposes.

If the Company obtains DIP financing from DIP lenders, such lenders will require the Company to secure such debt with its properties. Such lenders will have the right to foreclose on the Company's properties if the Company does not repay the DIP loan to lender under the terms of the loan documents.

**Our business depends in part upon local economic conditions and is geographically concentrated in one location.**

Our property is located only in the Red Lodge, Montana area. We are dependent in part upon the local economic conditions in this market, including the availability of skilled labor and contracts and local real estate conditions. Our operations may also be affected if too many competing properties are built in this market area, but highly unlikely in nature since there is not even an RV resort of this sort in the whole State of Montana.

**The availability of water could delay or increase the cost of land development and adversely affect our future operating results.**

The availability of water is becoming an increasingly difficult issue for real estate developers and we expect it to be an issue of importance for our development, which will require water for residential use (drinking and sewer systems) and our golf course, which will have significant landscaping features that need water. County regulators will require that we provide detailed information regarding the source of water for our development. Similarly, the availability of treatment facilities for sanitary sewage is a growing concern. According to engineering studies already examined by HKM Engineering and Landscapes Unlimited with many, many hours of time spent and meetings held amongst HKM, Landscapes Unlimited, legal counsel (Tony Kendall, attorney for Company with \_\_\_ years as Carbon County Attorney experienced in-depth with subdivision rules and regulations; Renee (??), water rights attorney and Jason Loble,<sup>5</sup> partner with the Crowley firm specializing in securities issues), the Company has more than sufficient water rights available since the resort is seasonal along with the fact that it golf course design is for 9 holes, rather than a full sized golf course which consists of 18 holes. With this, the property includes established and recorded water rights that are deemed adequate or the resort development.

**The parcel of property intended for use of the resort project.**

The parcel (of 190 acres) is presently financed and we expect that the loan amount due shall be paid in full within a reasonable period of time by DIP financing or according to the approved reorganization plan. Accordingly, we have owned our property near Red Lodge, Montana for a generous period of time. The property was acquired in 2007 for the specific purpose of a resort development and the purchase price was 100% financed. The property may have characteristics or efficiencies unknown to us that could affect the property's valuation or development and revenue potential. There can be no assurance that the value of the property will not decline under our management, not withstanding significant pre-filing development costs.

**Potential losses may not be covered by insurance.**

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<sup>5</sup> Please note that a large portion of this document was used in a securities offering, drafted and finalized in form and substance by Jason Loble, and signed and accepted with an offering of money by several investors who represented themselves to be experienced and knowledgeable in investment endeavors. Documentation of parties' association with said securities offering can be acquired by said unsecured creditors' attorneys as noted in the bankruptcy proceedings list of unsecured creditors (disputed).

We will carry general liability insurance covering our properties and business. We shall select policy specifications and insurance limits that we believe to be appropriate and adequate given the relative risk of loss, the cost of the coverage and industry practice. Our property is located in Montana, an area subject to earthquakes. We do not yet carry earthquake insurance on our property, and until we do our insurance would not cover losses from earthquakes. We will continue to evaluate the value of earthquake and other additional insurance options relative to the risk of loss.

**We may face out-of-state competition.**

We are attempting to develop a unique property for our customers, but we compete with numerous developers, owners and operators of real estate across the United States, some of whom own properties similar in some respects to ours.

**Lack of liquidity of real estate investments could significantly impede our ability to respond to adverse changes and harm our financial condition.**

Because real estate investments are not readily convertible to cash, our ability to promptly sell a portion of our property in response to adverse changes in our business plan may be limited, thus harming our financial condition. The real estate market is affected by many factors that are beyond our control, as detailed elsewhere in these risk factors.

**Weather-related and other events beyond our control may adversely impact our operations.**

Extreme adverse weather or other events, such as earthquakes, forest fires, unusually cold or snowy weather or floods may affect our operations and our profitability. These events may impact our equipment, property or development activities, causing us material increases in costs, or delays in operations, which could have a material adverse effect upon our revenues, profitability and ability to pay off the Notes and service our other debt obligations.

**If the Company's relationship with the golf course designer, Robert Trent Jones II, LLC, fails for some reason, the Company's development project may be delayed and altered in negative ways.**

The anchor amenity for the Company's resort will be its named designer golf course. The Company has entered a design contract with world-renowned designer, Robert Trent Jones II, LLC, who was the Company's first choice for a golf course designer. Robert Trent Jones II, LLC (and its founder Robert Trent Jones, Jr.) is a world-renowned designer whose courses attract golfers worldwide. If for some reason the Company's contract or relationship with Robert Trent Jones II, LLC terminates, and the Company must begin discussions with other golf course designers, the Company's development plans will be delayed. Further, the Company's development may not be as

attractive to customers if it is not designed by Robert Trent Jones II, LLC. These developments could hinder the Company's ability to repay the Notes and service its other debt obligations.

**Our business can be negatively impacted by interest rate movements, inflation and other factors that commonly impact the development industry.**

Our business is affected by the risks generally incident to the development and construction business, including:

- actual and expected direction of interest rates, which affect our costs, the availability of construction financing and long-term financing for our development (if necessary);
- changes in the national economy and in the local economy where our property is located;
- local oversupply, increased competition or reduction in demand for resort opportunities;
- increased operating costs, including insurance premiums, utilities and real estate taxes; and
- changes in governmental laws and regulations, subdivision regulations, zoning ordinances and costs of complying with laws, regulations and ordinances.

High rates of inflation generally affect the construction and development industry adversely because of their adverse impact on interest rates. High interest rates not only increase the cost of borrowed funds to developers and builders but also have a significant effect on property demand and on the affordability of financing to prospective customers who might need it.

These factors (and thus the development and construction business) have tended to be cyclical in nature. Any downturn in the national economy or the local housing markets in which we operate could have a material adverse effect on our profitability and ability to pay off the Notes and service our other debt obligations. At this point, the Company feels that the downturn began in early 2008 and is now on the uprise.

**Our business plan contains environmental risks.**

Under various federal, state and local laws, ordinances and regulations, we will be an owner or operator of real property or we may have need to arrange for the disposal or treatment of hazardous or toxic substances. As a result, we could become liable for the costs of removal or remediation of certain hazardous substances released on or in our property. We could also be liable for other costs that relate to hazardous or toxic substances (including governmental fines



W2NE4 104.560 acres, Section 13 T06SR20E NW4SE4 PT SW4SE4 76.940 acres.

The Company already has a site map/preliminary plan and golf course design which includes approximately 522 lots. Please refer to the proposed plat at [www.ofcourservresort.com](http://www.ofcourservresort.com).

### **The Golf Course**

The anchor amenity for the Company's resort will be its Trent Jones designed 9-hole golf course,

The Company has entered into a design contract with world-renowned golf course designer, Robert Trent Jones II, LLC, who was the Company's first choice among golf course designers. Robert Trent Jones II, LLC (and its founder Robert Trent Jones, Jr.) is leading designer whose courses attract golfers worldwide. The Company's resort Lots are located along this exceptional 9-hole golf course. The design plans are fully completed and ready for implementation.

### **The Clubhouse**

The Company intends to construct a large clubhouse. RV owners are generally very social. We believe the more attractive and extensive the club facilities, the more success we will have in attracting upscale RVs and higher income retirees. The Company is in the process of retaining a firm of architects to design the clubhouse. Please refer to the pro forma for more details. The clubhouse will contain common areas for all of the resort guests to gather for meals, meetings, socializing, etc. The Company may also lease space inside the clubhouse to certain vendors who may wish to open a restaurant, grocery store, coffee house or other entertainment and refreshment establishments for our customers.

### **Lot Choices and Amenities**

Owners of high-end RVs will have the opportunity to enter long term (99-year), exclusive leases on Lots of their choosing. The Company has completed its first plat which includes approximately five hundred twenty two (522) individual Lots. These Lots will be categorized by size and type, as follows:

- Standard Lots. These will be 50x60 ft. in size. Standard Lots will provide room for customers to park their RVs – with ample room and defined boundaries -- but there will be no residential structures allowed on such Lots. Some of the Standard Lots will be located on the fairway of the golf course, while some will not.
- Park Model Lots. These Lots will also be 50x60 ft. in size. Park Model Lots will have residential structures on them known as "Park Models." Customer will be able

to choose among a limited selection of Park Models (see below for more information). Guests will not be allowed to park their motorized RVs on the Park Model Lots. The only dwelling structure on such lots will be the Park Models. Some of the Park Model Lots will be located on the fairway of the golf course, while some will not.

- Port Home Lots. These Lots will be 50x75 ft. in size. Port Home Lots will allow guests to have a Park Model on the Lot and park their motorized RVs on such Lots. As such they will be larger than the Standard Lots and the Park Model Lots. Some of the Port Home Lots will be located on the fairway of the golf course, while some will not.

Most resorts built ten (10) or more years ago are not designed to accommodate today's larger and wider RVs. Of Course will cater to the "Big Rigs," also known as "coaches," with lengths of up to 45 feet. Our park design and layout also takes into consideration slide out rooms. Our layout will provide wide interior roads to permit very long rigs to turn around and our spaces will be well-slanted. Along with this, the backing turn will be made towards the driver's side so that the driver does not have to rely solely on the mirrors to back up.

Recent studies show that most high-end RV owners have come to expect the following amenities (all of which will be included at the Company's resort):

- Water and sewer
- 50 amp minimum
- Satellite access
- Telephone more for modem access
- Wireless access for laptops
- Clubhouse
- Laundry services
- Post Office

Of Course will also include a full gym with private trainers and an indoor golf simulator.

### **Lot Pricing**

The different Lot options will be priced as follows (per 99-year lease)<sup>6</sup>:

- Standard Lot 50x60 ft site (no fairway) \$129,900
- Standard Lot 50x60 ft site (fairway) \$159,900
- Park Model Lot 50x60 ft site (no fairway) \$259,900
- Park Model Lot 50x60 ft site (fairway) \$299,900
- Port Home Lot 50x75 ft site (no fairway) \$359,900
- Port Home Lot 50x75 ft site (fairway) \$399,900

### **Park Models**

Park Models are vacation dwelling structures that are primarily designed and intended to provide temporary living quarters for recreation, camping, or seasonal use. They are mobile structures typically built on a single chassis, mounted on wheels with a gross trailer area not exceeding 450 square feet when set up.

There are several manufacturers of Park Models in the United States. The Company intends to select one manufacturer to provide a selection of Park Models for purchase<sup>7</sup> by our customers. Customers will not be allowed to choose Park Models outside the defined selections chosen by the Company.

Currently, the Company has chosen to work with Forest River, Inc. and has already obtained all materials, brochures and has applied with said manufacturer to be a direct dealer with said company. The Company is aware that no contracts are allowed during the course of the Chapter 11 proceedings so nothing to date has been signed by the Company though all terms and agreements have been discussed between all parties. The Park Models produced by Forest River are attractive and functional and meet or exceed applicable construction standards.

Park Model options will allow some customers to lease our Lots even though they do not own motorized RVs. Other customers who do own motorized RVs may wish to purchase a Park Model Lot or a Port Home Lot to have extra living space at our resort. The lease price for Port Home Lots and Park Model Lots will include the price of an unfurnished Park Model that will be placed on such lots. The Company will retain the right to re-sell all purchased park models on a commission basis.

<sup>6</sup> Prices for lots were established by a comprehensive marketing analysis conducted by Jeanne Rizzotto using 30 resorts across the United States, most of which were visited personally by Ms. Rizzotto over a two-year period.

<sup>7</sup> There are designated lots that come with park models (included in price). The "RV only" lots may purchase a park model for an RV designated lot in lieu of its original use for an individual's RV.

### **Early Development Process.**

The Company has already engaged the services of various professionals (before the Chapter 11 proceedings were filed) to help with the planning and design of the project, including the following:

Robert Trent Jones II, LLC, based in Palo Alto, California, is designing the Company's golf course.

Landscapes Unlimited which will construct the golf course.

As discussed above, the Company is also in the process of engaging Forest River to provide Park Models for the Development.

The Company has completed sufficient planning and design work and a proposed site map ("Site Map") (see attached). The Site Map includes a preliminary color map showing where the golf course, roads, clubhouse and other common areas will be located. In addition, the Site Map shows the proposed 522 RV Lots.

The Company plans to begin taking reservations for specific Lots (together with Deposits funds) based upon the current site map. It may be necessary for the Company to make adjustments to the Site Map during the actual construction process, but the Company hopes to keep all such changes to a minimum through careful planning.

### **Regulatory Approvals.**

The Company's Development may be subject to laws and regulations that affect the land development process. Before we can finalize the Site Map and begin construction and develop our property as planned, we must obtain a variety of approvals from governmental agencies, including the following approvals:

Lot Creation. The Company's plan to create lots for lease is subject to Montana's Subdivision and Platting Act. As such the Development may be subject to review and approval at the state and local level. The Development may have to comply with Carbon County's Subdivision Regulations and road design standards, and approved by the Carbon County Commission. However, the expectations such a high quality golf course and resort far exceed the simple expectations and current requirements of the present Carbon County Subdivision Regulations. Therefore, the likelihood of such a quality resort and golf course being turned down by said County is non-existent. Primary approval will be through the Montana Department of Environmental Quality, Subdivision Review Bureau.<sup>8</sup>

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<sup>8</sup> Please note that under the terms of the Lease Option and Lease Agreement, the initial \$50,000 non-refundable earnest monies collected do not represent that earnest monies can only be collected upon approval of DEQ and/or Carbon County Subdivision approval. Unlike the standard

Sanitation. The potable water supply system, sewer system and possibly the storm water system of the Development will be also be subject to state and local review. The Montana Department of Environmental Quality will have primary responsibility for review of the systems. This review will focus primarily on the adequacy of the design, and compliance with applicable legal and design standards. The final installation of the system is subject to inspection and review as well. The sanitation and public water supply provisions are subject to review by the Carbon County Board of Health and/or County Sanitarian (refer to footnote 7).

Water Rights. The Company has acquired certain groundwater and surface water rights necessary for the Development. After 100s of hours of research the Company has concluded that there will not be a need to acquire additional water rights for the potable water supply system and irrigation. While the property the Company has acquired has sufficient surface water rights for irrigation and operation of the planned golf course, use of such rights may require changing the place of use or point of diversion for such rights. Any new water rights and any changes to existing water rights requires review and approval by the Montana Department of Natural Resources and Conservation, and are subject to challenge by other water rights holders who may be affected by the new or changed rights.

Highway Access. The Development's primary access points are directly from Montana Highway 212. The change in use of the property will require an updated access permit from the Montana Department of Transportation. The Department of Transportation will review the permit application for its potential impact on the roadway, compliance with existing highway standards and regulations, and may require any improvements to the highway necessary to safely accommodate the increased traffic entering the highway from the Development (i.e. turning and/or acceleration lanes, and increased signage). The Company has already met with the Department of Transportation and, as noted on the site map, the entrance and exits appear to be of equal or above the standard of recommendation from the Department of Transportation.

### **Construction**

Upon approval of the Bankruptcy Court for the reorganization plan we can hire construction firms and begin the first phases of construction. The first phases of the work will include basic infrastructure systems (roads, curbs, utilities, sewer and water systems, etc.) and the early golf course work. While it is impossible to predict completion dates accurately, we hope to complete construction of the golf course and the entire Development by the spring of 2011.

### **Reservation, Leasing and Maintenance Arrangements**

From the site map, the Company will allow potential customers to review the various

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subdivision rules and regulations for residential use, RVs of such caliber for this particular resort are self-contained with water and sewer containers needing temporary disposal facilities during the course of the resort obtaining approval by DEQ for water and sewer facilities



RV sites and reserve a Lot by (a) signing a Lot Reservation Agreement and (b) making a \$50,000 deposit (a "Deposit") with the Company. At the time potential customers sign their Lot Reservation Agreements, they will be required to submit an application to the Company to become guests and have the right to lease one of the Company's Lots. The Company will be able to use the Deposit funds immediately to help pay for the Development costs. The Deposits will be non-refundable unless: (i) the Company does not complete the Development by a fixed date stated in the Lot Reservation Agreement (the "Completion Date") or (ii) the Company does not accept the application and does not allow the potential customer to sign a long-term lease.

When the Development is complete, and if the Company accepts the Customer's application, the Customer will then sign a 99-year lease agreement (a "Lease") that will contain all of the rights and obligations of the customer and the Company concerning the leased Lot and the resort. At that time, the Customer will pay the remainder of the Lot price (the full Lot price, minus the \$50,000 Deposit). The Leases will also contain maintenance payment terms that will require customers to pay maintenance fees twice per year. The maintenance fees will cover a customer's proportionate share of property taxes, utilities, insurance and maintenance of the Development (landscaping, cleaning, garbage, and general upkeep and repair). Our research indicates that high-end RV owners who participate in RV clubs and resorts do not want to receive multiple bills each month; they would prefer to receive one or two bills each year that cover all of their expenses at a given resort or club. Our maintenance fee program will be organized to accommodate these wishes. The Lease agreement will provide a mechanism for determining how and when maintenance fees will increase periodically (to account for periodic increases in maintenance costs).

### **Estimated Project Costs**

The estimated project costs for the primary Development expenses are as follows (please refer to the actual updated pro forma for a more detailed breakdown):

Land Acquisition	\$1,600,000
Engineering	\$ 750,000
Golf Course Design	\$ 650,000
Golf Course Construction	\$8,000,000
Roads, Curb, Gutter	\$2,000,000
Gas, Electric	\$2,000,000
Golf Simulator	\$ 250,000
Clubhouse, Gym, Offices	\$5,000,000
Water/Sewer Treatment	\$1,200,000
Asphalt (roads, parking)	\$ 300,000
Swimming pools, outdoor activities	\$ 250,000
Laundry room, bathrooms, showers	\$ 250,000
RV concrete pads	\$ not available as yet
Post Office	\$ 500,000

Fire Department facilities (if necessary)	\$ 200,000
County and State fees/permits	\$ 150,000

The list represents approximate costs only for the primary Development expenses and does not include costs for operation and services upon completion of Development. More detailed financial projections can be found in the Company's pro forma financials attached hereto.

### **Financing Sources**

The Company has completed sufficient planning and design work and has created a Site Map (see attached). The Site Map includes a depiction of the 522 Lots and their location on the parcel of the Development. The Company plans to begin taking reservations for specific Lots (together with Deposits funds) early spring since the proposed pads for said RVs cannot be provided until weather permits. The Company will have the right to begin using Deposit funds to continue the design and construction of the Development. In this way, our customers' Deposits will play a significant part in the financing of the Development.

During the time the Company is raising funds through Deposits, it may become necessary for the Company to borrow funds from a DIP lender. The Company has already begun discussions with three DIP lenders in the United States and one overseas. The local lenders (in the State of Montana) have indicated that it will be possible to loan money to the Company after the initial seed money is raised and after more planning and design work is done on the Development, because it will be easier for such lenders to value the Company's property (collateral) at that time.

### **Manager – Jeanne Rizzotto**

The sole member (owner) and manager of the Company is Jeanne Rizzotto. Jeanne worked as a paralegal for a prestigious law firm in Los Angeles for 20 years. She moved to Montana in 1994 and has worked in the real estate industry since 1994. She has been a real estate broker since 1995.

Jeanne was a Broker/Owner of CENTURY 21 The Summit, Inc., headquartered in Red Lodge, Montana, since 1995 until the franchise agreement expired in 2008. She published a book entitled *How to Get Your Realtor to Get You the Best Deal*. For at least the last five years, Jeanne has been awarded the CENTURION and Pace Setter GOLD awards from CENTURY 21, awards that are based upon substantial sales volumes.

This Development is Jeanne Rizzotto's third major subdivision project. Previously, Jeanne successfully managed two other subdivision projects in Carbon County, Montana: (a) a project through RnR Elk Resort LLC, an 87-acre parcel just off of Ski Run Road in Red Lodge, Montana; and (b) a project through Dot.Calm Ranches LLC, which started off with 159 lots (100 of which have been sold and closed this year).

### **Manager Compensation**

Currently, the Company does not pay any compensation or benefits to Jeanne Rizzotto. Upon acceptance of the Reorganization Plan the Company expects to begin paying Jeanne Rizzotto for her management services and for her services in selling Leases to customers.

### **SUMMARY OF CURRENT DEBT**

The Company's current debt obligations are summarized below:

**Please refer to the filing of Chapter 11 proceedings.**

### **FINANCIAL INFORMATION**

The Company was formed in 2007 and has not generated any revenues to date. The Company's proforma financials are attached hereto. The information contained in the pro forma reflects the Company's best-estimate projections only. Actual expenses and revenues (and their timing) may differ from these projections.<sup>9</sup>

### **TAX ISSUES**

The Company strongly recommends that lenders consult with their own accounting and tax advisors to be sure they understand the tax issues and the tax ramifications for them.

### **ADDITIONAL INFORMATION**

Prior to the consummation of DIP financing and/or lease holders payments we will make available to each the opportunity to ask questions and receive answers concerning the project and to obtain any additional information that we may possess or can obtain without unreasonable effort or expense that is necessary to verify the accuracy of the information furnished to such prospective lender and/or leaseholder.

Without limiting the forgoing, copies of the following documents are available upon

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<sup>9</sup> **Error! Main Document Only.** In 2008, the Of Course RV Resort development had secured, through solicitation and advertising, 203 expressions of interest from prospective leasehold purchasers. In 2009, there were still 196 individuals or couples who were interested in proceeding to a formal option to lease. Of those, 50 had committed verbally to exercise the Lease Option Agreement and to tender the \$50,000.00 earnest money. Each were advised that the option monies would be utilized for direct and indirect development and construction costs in connection with the resort development. Jeanne Rizzotto maintains regular contact with the core group of prospective lessees who are prepared to proceed with formal option agreements upon Chapter 11 approval. This provides a source of development or capital investment of approximately \$2,500,000.00.

request:

- The Company's Articles of Organization
- The Company's By-Laws
- The Company's Declaration of Covenants and Restrictions
- The Company's Lease and Lease Option
- The Company's Golf Course Membership Agreement
- Robert Trent Jones Contract
- Landscapes Unlimited Agreement
- Site Map / Preliminary Plat

## *EXHIBIT "A"*

### *Research and Work Performed To Date*

Trent Jones Design Plan	\$ 650,000
Engineering to date (HKM)	\$ 150,000
Land Advisory and Engineering (Landscapes Unltd)	\$ 81,000
Advertising (credit cards)	\$ 120,000
Personnel (Hollman, Rose, Stout, Zahn)	\$ 40,000
Interest on property purchase to Beartooth Bank (approx)	\$ 141,000
Purchase of park model at RV Resort in Lake Havasui, Arizona (paid cash) to study	\$ 259,900
Traveled (4 or more) and participated in (had booths) in RV and Golf Shows (Rob, you have pictures)	\$ 50,000 out-of-pocket
Traveled/made at least 30 visits to top RV resorts and First-class golf courses including:	\$ 50,000 \$ 50,000
40 Foot RV (Tsunami)	\$ 168,000
On-line survey with over 2,000 participants	\$ 20,000